

Starke County, Indiana
2007 Pay 2008 Budget Order

An analysis of the data with the 2007 Pay 2008 Budget Order for Starke County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

Starke County has two cross-county units. Starke is the major county for North Judson Schools, which crosses with Pulaski County. Starke is the minor county for Culver Schools, which crosses from Marshall County (the major county) into Fulton, Pulaski, and Starke Counties. Only the Starke County portion of cross county units is included in this analysis.

Starke County has one conservancy district, Bailey-Cox-Newtson Conservancy District. A Conservancy District is a special taxing district created to provide flood control, irrigation, potable water or wastewater service within a specified area. The cost of providing these services are charged to landowners in the form of a special assessment based on the benefit provided. These special assessments are added to the property tax bill of each landowner and collected along with property taxes. Since the benefit derived may not relate to the assessed value of the property, these assessments are normally expressed in terms of dollars of assessment and not as a tax rate per \$100 of net assessed value. Therefore, the Conservancy District special assessment has not been included in this analysis.

Changes in Local Tax Levies

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on an annual growth factor or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net decrease in tax levy for Pay 2008 on a county-wide basis was approximately \$571,407, or 2.50%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increase in levy was due to the Knox Community School Corporation (\$857,918). The largest total dollar decrease in levy was due to the County unit (\$1,336,726).

Starke County

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$2,693,643	\$2,509,328	-\$130,315	-4.94%
Cumulative Bridge	58,742	67,271	8,529	14.52%
Children's Psychiatric Res Treat	419,583	92,899	-326,684	-77.86%

Starke County Welfare

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Welfare - Family and Children	\$1,488,121	\$584,086	-\$904,035	-60.75%

Total County levy decreased by \$1,336,726 or 24.76%.

Knox Civil City

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$920,683	\$672,918	-\$247,765	-26.91%
Lease Rental	60,724	70,771	10,047	16.55%
Motor Vehicle Highway	99,904	206,889	106,985	107.09%

Total City levy decreased \$118,631 or 8.89%.

Culver Community School Corp.

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$406,899	\$489,427	\$82,528	20.28%
Debt Service	179,576	234,745	55,169	30.72%
Capital Projects	89,631	128,765	39,134	43.66%
Transportation	81,778	94,586	12,808	15.66%

Total School levy increase of \$191,467 or 23.04%.

Knox Community School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$2,410,347	\$2,730,886	\$320,539	13.30%
Debt Service	2,351,808	2,589,389	237,581	10.10%
Bus Replacement	-0-	205,902	205,902	-%

Total School levy increase of \$857,918 or 12.86%.

No units in the County exceeded the working maximum levy. All units in the County levied up to or near their working maximum levy.

No units in the County exceeded the normal statutory growth rate for controlled fund levies.

Changes in Real Property Gross Assessed Values

Real Property Gross Assessed Values increases by property class are as follows.

<u>Class</u>	<u>% Increase</u>
Agriculture	12.74%
Industrial	23.50%
Commercial	-1.26%
Residential	4.60%
Exempt	323.38%
Utility	-1.14%

Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits).

<u>Class</u>	<u>2007 Ratio</u>	<u>2008 Ratio</u>
Agriculture	20.51%	20.59%
Industrial	2.77%	3.05%
Commercial	6.55%	5.76%
Residential	68.13%	63.48%
Exempt	1.84%	6.94%
Utility	0.21%	0.18%

As can be seen from the analysis, a shift from residential, utility, and commercial property to agricultural, industrial, and exempt property occurred. This shift was approximately 5.47%, with exempt property receiving 5.10% of the amount.

Change in Net Tax Rates

Changes in net tax rate by district were as follows.

<u>District</u>	<u>Change in NAV</u>	<u>Change in Levy</u>	<u>Change in Gross Tax Rate</u>	<u>Change in Business Personal Property Net Tax Rate</u>	<u>Change in Real Estate and Other Personal Property Net Tax Rate</u>	<u>Change in Homestead Net Tax Rate</u>
CALIFORNIA TOWNSHIP-NJSP SCH	17.26%	-4.56%	-18.61%	-16.43%	-14.64%	-21.93%
CALIFORNIA TOWNSHIP-KNOX SCH	8.98%	-2.57%	-10.60%	-10.47%	-8.89%	-16.51%
CENTER TOWNSHIP KNOX CITY (CENTER)	16.15%	3.84%	-10.60%	-10.46%	-8.96%	-16.21%
JACKSON TOWNSHIP	18.51%	1.10%	-14.68%	-15.02%	-13.30%	-22.53%
NORTH BEND TOWNSHIP	16.49%	-5.46%	-18.84%	-16.64%	-14.83%	-22.07%
OREGON TOWNSHIP RAILROAD TOWNSHIP	13.34%	2.01%	-10.00%	-7.42%	-3.70%	-10.08%
WASHINGTON TOWNSHIP	14.59%	-6.83%	-18.70%	-17.51%	-15.94%	-23.67%
WAYNE TOWNSHIP NORTH JUDSON TOWN (WAYNE)	16.25%	-5.48%	-18.70%	-16.55%	-14.89%	-20.98%
DAVIS TOWNSHIP HAMLET TOWN-DAVIS TWP	16.32%	3.92%	-10.66%	-10.54%	-8.96%	-16.40%
HAMLET TOWN-	15.66%	-5.93%	-18.67%	-16.47%	-14.67%	-21.61%
	11.47%	-7.88%	-17.36%	-15.61%	-13.69%	-23.90%
	21.34%	-2.71%	-19.82%	-18.88%	-17.39%	-24.53%
	9.39%	-7.76%	-15.68%	-14.58%	-12.73%	-24.85%
	17.51%	-0.83%	-15.61%	-14.50%	-12.64%	-24.73%

OREGON TWP						
Average	14.52%	-2.10%	-15.75%	-14.57%	-12.76%	-21.19%

Downward pressure on tax rates came from increases in Assessed Value due to trending, decreases in tax levies, and the increased Homestead Credit rate.

Assessment Status

The DLGF has prepared an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

Property Class	Percent of Parcels with Identified Assessed Valuation Change					
	<u>Decrease</u>	<u>No Change</u>	<u>0 – 10% Increase</u>	<u>10 – 30% Increase</u>	<u>30 – 100% Increase</u>	<u>More Than Doubled</u>
Commercial	1.8%	34.6%	61.3%	1.5%	0.8%	0.0%
Industrial	0.0%	41.0%	59.0%	0.0%	0.0%	0.0%
Residential	3.7%	32.6%	59.2%	3.9%	0.6%	0.0%
Overall	3.6%	32.8%	59.3%	3.7%	0.6%	0.0%

TIF Neutralization Worksheets

The County has Tax Increment Areas. A Tax Increment Financing (TIF) Neutralization Worksheet must be completed for each TIF District in order to calculate tax increment generated by real property growth rather than increases in assessed valuation due to reassessment or trending. The TIF Neutralization Worksheets were not reviewed for numerical accuracy but for logical analysis and completeness.